

Town of Saugeen Shores

Community Improvement Plan: Housing Incentives

Presentation to Council: Project Update

March 9, 2026



HOUSING-FOCUSED INCENTIVES

Key Objectives:

- Assess the effectiveness of the 2024 CIP in meeting housing and revitalization goals.
- Identify opportunities to strengthen financial incentive programs that support affordable and attainable housing.

The CIP will:

- Ensure alignment with County and Town housing strategies, legislative requirements, HAF funding, and best practices.
- Provide Council with a clear implementation roadmap for program delivery and monitoring.



CIP REVIEW PROCESS

Sept – Nov 2025

Oct 2025 – Jan 2026

Feb – April

May



Background Review

- ✓ Engagement Strategy
- ✓ Policy & CIP Review
- ✓ Best Practice Review
- ✓ Market Analysis



Stakeholder Engagement & Incentive Programs

- ✓ Housing Working Group
- ✓ Stakeholder Engagement
- ✓ Confirm CIPA Boundaries
- ✓ **Preliminary Suite of Programs**



Draft CIP

- Draft CIP document
- Implementation Guidelines
- County Consultation
- Ministry Consultation

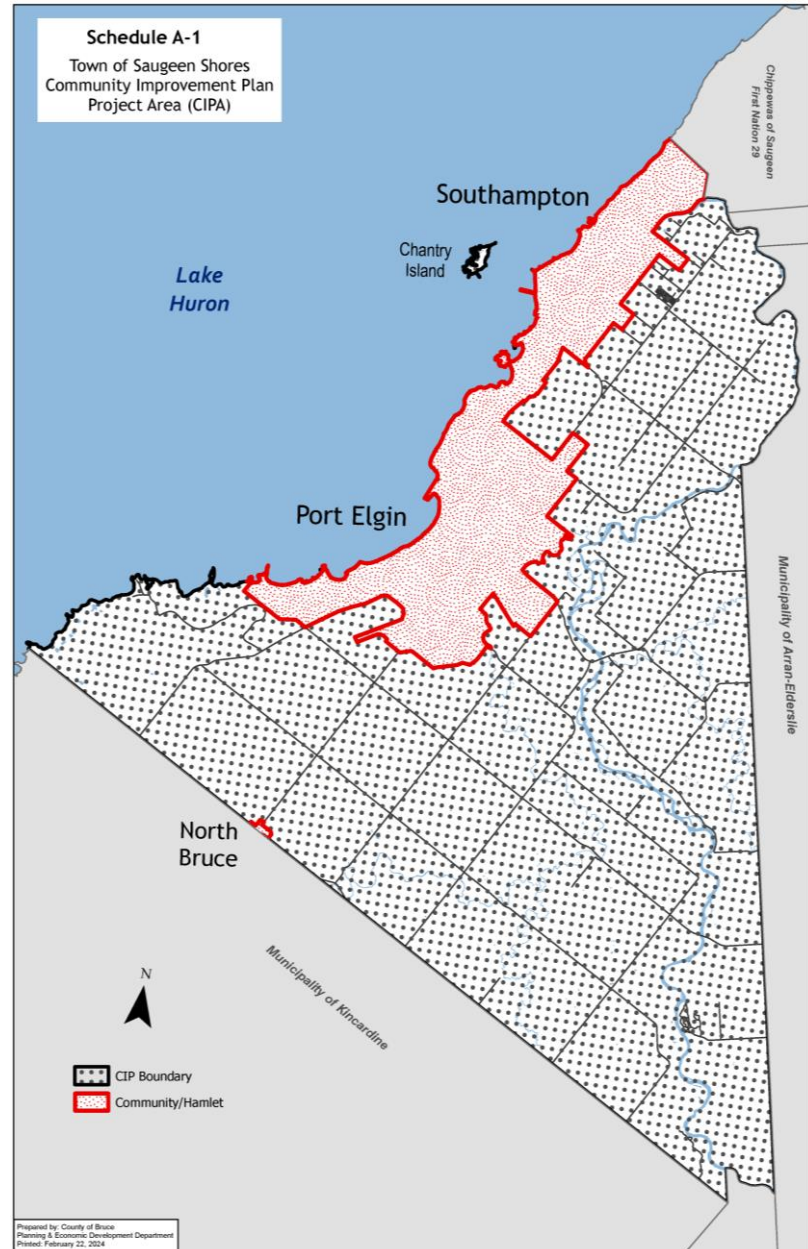


Final CIP

- Final Draft CIP
- Statutory Public Meeting with Council

TOWN-WIDE CIPA

The existing CIP designates the entire municipality of the Town of Saugeen Shores as the Community Improvement Project Area (CIPA) with the downtown areas of Port Elgin and Southampton designated as priority project areas.



HOUSING ACCELERATOR FUNDING (HAF)

- **Our understanding of the Town's Housing Accelerator Funding (HAF):**
 - Funding allocated across 8 initiatives
 - \$1.7 million allocated for incentive programs
 - Town will need to spend HAF funding by December 2028.
 - This creates the challenge of drawing down on funds.
 - Must be very careful on funding pre-development costs or for development applications where there is a risk that it may not happen.
- **The Town will need to market the plan effectively**



Program 1: Development Charge (DC) Grant

Description/ Goal:	To provide assistance for the development of Purpose-Built Rental Housing by further reducing the cost of development related to Development Charges (DCs).
Applicable Area	Serviced land within designated urban settlement areas in the Town that is zoned to allow residential uses.
Maximum Assistance	➡ Grant is equivalent to a maximum of 50% of Development Charges levied by the Town or a maximum of \$150,000 whichever is less.
Eligibility	Purpose built rental units within low or medium density developments.

Program 2: Additional Residential Unit (ARU) Grant

Description/ Goal:	To encourage the construction of a basement apartment, garden suite, upstairs apartment, or a living space within an existing secondary structure on a property by providing a grant to cover a portion of the capital construction costs.
Applicable Area	Serviced land within designated urban settlement areas in the Town that is zoned to allow residential uses.
Maximum Assistance	<ul style="list-style-type: none">➤ Grant funding for up to three ARUs (up to \$30,000 total). Maximum assistance structured as follows:<ul style="list-style-type: none">➤ one (1) unit – \$5,000;➤ two (2) units – \$7,500 per unit; and➤ three (3) units – \$10,000 per unit.
Eligibility	<p>The primary dwelling unit on the property is owner-occupied.</p> <p>Eligible properties must be zoned to permit single detached, semi-detached, or rowhouse dwellings, as applicable to the form and location of the proposed ARUs, in accordance with the Development Charges Act, 1997.</p>

Program 3: Missing Middle Grant

Description/ Goal:	To improve the financial viability of developing “missing middle” housing forms (semi-detached, duplexes, triplexes, fourplexes, townhouses, low-rise multi unit dwellings).
Applicable Area	Serviced land within designated urban settlement areas in the Town that is zoned to allow residential uses.
Maximum Assistance	Grant funding provided on a per unit basis to cover 100% of eligible costs, up to a maximum amount of \$250,000 per project. <ul style="list-style-type: none">➡ Rental Unit at Market rate – up to \$10,000 per unit.➡ Rental Unit at Affordable rate – up to \$25,000 per unit.➡ Ownership Unit at Market rate – up to \$5,000 per unit.➡ Ownership Unit at Affordable rate – up to \$15,000 per unit.
Eligibility	Development includes a minimum of 3 units. New development, redevelopment, or conversion of properties that result in the creation of net new “missing middle” housing units.

Program 4: Municipal Fees Grant

Description/ Goal:	A reduction in applicable municipal fees, including planning and building permit fees. Reduced planning and building permit fees may, in concert with other program support, help encourage development efforts by reducing initial regulatory costs.	
Applicable Area	Serviced land within designated urban settlement areas in the Town that is zoned to allow residential uses.	
Maximum Assistance	Planning Application Fees Grant: <ul style="list-style-type: none">• Maximum grant of \$5,000 per property or the cost of the combined eligible planning application fees, whichever is less.• If affordable units are included, fees related to those units may be waived up to 100%.	Building Permit Fees Grant: <ul style="list-style-type: none">• Maximum grant of \$20,000 per property or the cost of the combined eligible building permit fees, whichever is less.• If affordable units are included, building permit fees related to those units may be waived up to 100%.
Eligibility	Program is targeted to Purpose Built Rental units within medium density developments.	

Program 5: Surplus Municipal Lands Program

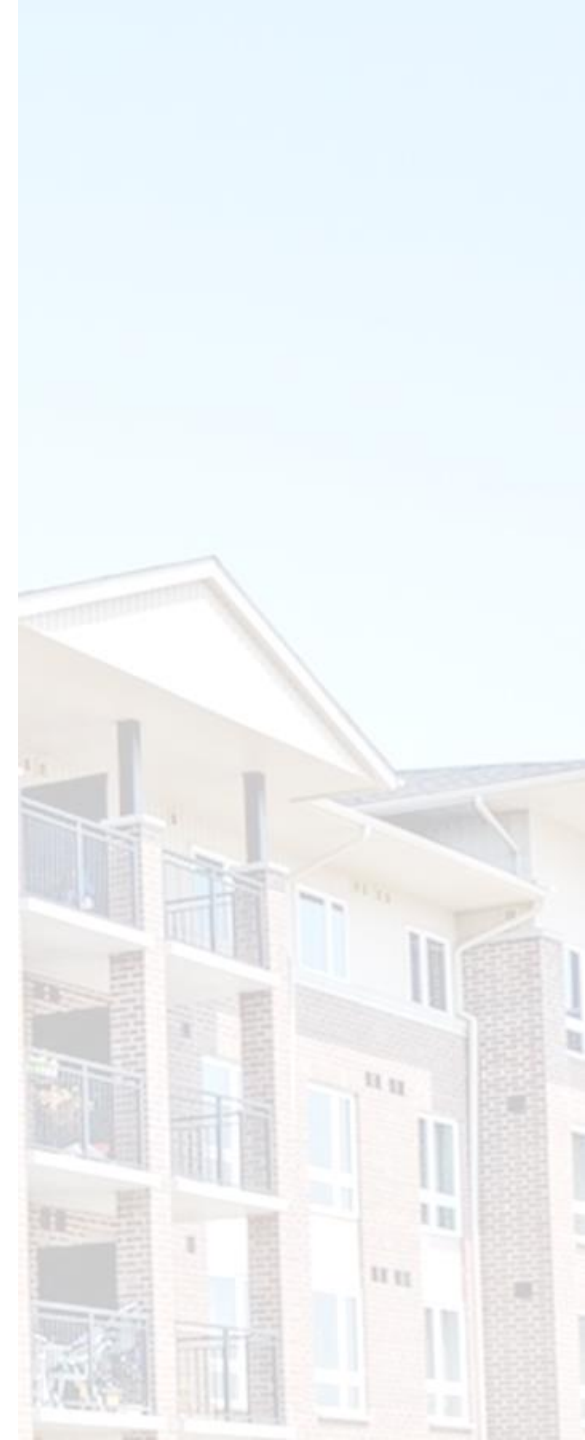
Description/ Goal:	Assistance to non-profit developers looking to produce Affordable Housing on surplus Town-owned lands by way of land disposal at below market value through a Request for Proposal (RFP) process.
Applicable Area	Serviced land within designated urban settlement areas in the Town that is zoned to allow residential uses. Properties located near essential services and employment hubs may be prioritized for development due to their strategic advantages.
Maximum Assistance	☞ Determined on a case-by-case basis.
Eligibility	<p>Non-profit housing developers may qualify for a low-cost purchase of surplus Town-owned land, subject to Council approval. As part of the Request for Proposal (RFP) process, eligible developers must present their proposals to the Town.</p> <p>To safeguard the Town's commitment to affordability, any sale of Town-owned land will be conditional upon the development of Affordable Housing on the designated site.</p>

RELATIONSHIP BETWEEN PROGRAMS

- There are 4 relevant programs (5th being a municipal land program) for considering the eligibility of a site/project in accessing each program.
- Program 1 (DC-related grant) cannot be combined with Program 2 (ARUs). Note that all rental projects benefit from existing provisions for % reduction in DCs based on the number of bedrooms.
- Affordable units (per the Province's definition) is a high bar to meet (meaning low cost of rent or ownership) such that DC exemptions for affordable can only apply to these units. A more workable definition for Affordable is that provided by CMHC.
- Program 3 – per unit grant for medium density housing (referred to as “missing middle” or attainable housing), applies to both purpose built rental and ownership. It is therefore important that this program cannot be combined with Program 1 (potential for far too much draw down on total available CIP budget for a single multi-unit project).

IMPLEMENTATION CONSIDERATIONS

- Promotion and marketing of programs will be critical to CIP's success and spending of HAF by Dec. 6, 2028.
- Continuous application intake to enable greatest flexibility as projects arise.
- Develop a Review/Evaluation Committee comprised of Town staff to evaluate applications.
- Allied to the CIP is consideration for a policy regarding Short Term Accommodations.



Q & A

